

# **Assuring Access to High Quality Early Learning for Washington's Young Children: Concepts and Costs**

Presentation to the  
Washington Early Learning Council

Human Services Policy Center,  
Evans School of Public Affairs,  
University of Washington

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# Interdisciplinary Project Team

- Richard N. Brandon, Director
- Erin J. Maher, Lead Analyst
- Gretchen Stahr Breunig, Facilitator
- Guanghui Li, Staff Economist
- Juliet Scarpa, Research Assistant

# Project Objectives:

Assist the ELC to consider alternative policies that assure all young children in Washington access to high quality early learning opportunities.

Provide analyses comparing the costs, impact on family affordability and targeting of funds of alternative policy packages.

Inform policy with research literature, expert judgment and analysis – but reflect state policy context, values and preferences.

# Process:

Background Research: multi-disciplinary team.

- Analysis of other US benefit programs.
- Starting point recommendations, based on expert working groups. Lessons from 4 states.

## Policy Simulations:

- State Teams specify policy options, modifying expert rec's to reflect context, preferences.
- HSPC produces two rounds of analysis, feedback.
- State teams select preferred option to promote.

# Special Features of HSPPC Modeling

- ❑ Market-based vs. Program
- ❑ Consider all types of care: Center, FCC, FFN and hours used, current and adjusted; based on parent demand survey for each state.
- ❑ Adjust estimates for employment impact.
- ❑ Include all components of high quality system.
- ❑ Detailed staff specifications: mix of qualifications.
- ❑ Vary eligibility criteria, parental co-payments.
- ❑ Potential phase-in from lower to higher cost.

Key Concepts and Policy Choices

For the Early Learning Council

# Key Conceptual Issues

Access for all *vs.* uniform delivery -- choice and diversity.

Access = fee *vs.* free.

Schooling *vs.* Developmental approaches:  
does every interaction count ?

When does learning start – age 6, 4, 2, birth ?

# Key Policy Cost Drivers:

1. What constitutes a learning environment: staff qualifications and compensation; stability and teamwork; professional development; quality assurance; ancillary services. Setting? Siblings together?
2. How many hours-a-day, days-a-year are required ?
3. What share of the population is eligible to participate – is income segregation desirable ?
4. How to best balance quality, affordability, budget costs, targeting ? Should parents be charged a fee ?



# Shaping a Market vs. Designing a Program

- ❑ Modify, not replace current services – incentives, requirements, mid-course corrections.
- ❑ Include all components of high quality system.
- ❑ Staff qualifications, compensation – labor market vs. pay equity.
- ❑ Consider price feasibility for middle income families vary parental co-payments.
- ❑ Potential phase-in from lower to higher quality/cost – timing, feasibility.

# HSPC Policy Simulation Model

Hourly Costs of High Quality ECE:

Qualifications, Compensation, Ratios, Quality Promotion



Policies to Assist Parents:

Mechanisms, Eligibility, Co-Payments



Impacts on Demand, Participation

Household Survey, Administrative Data



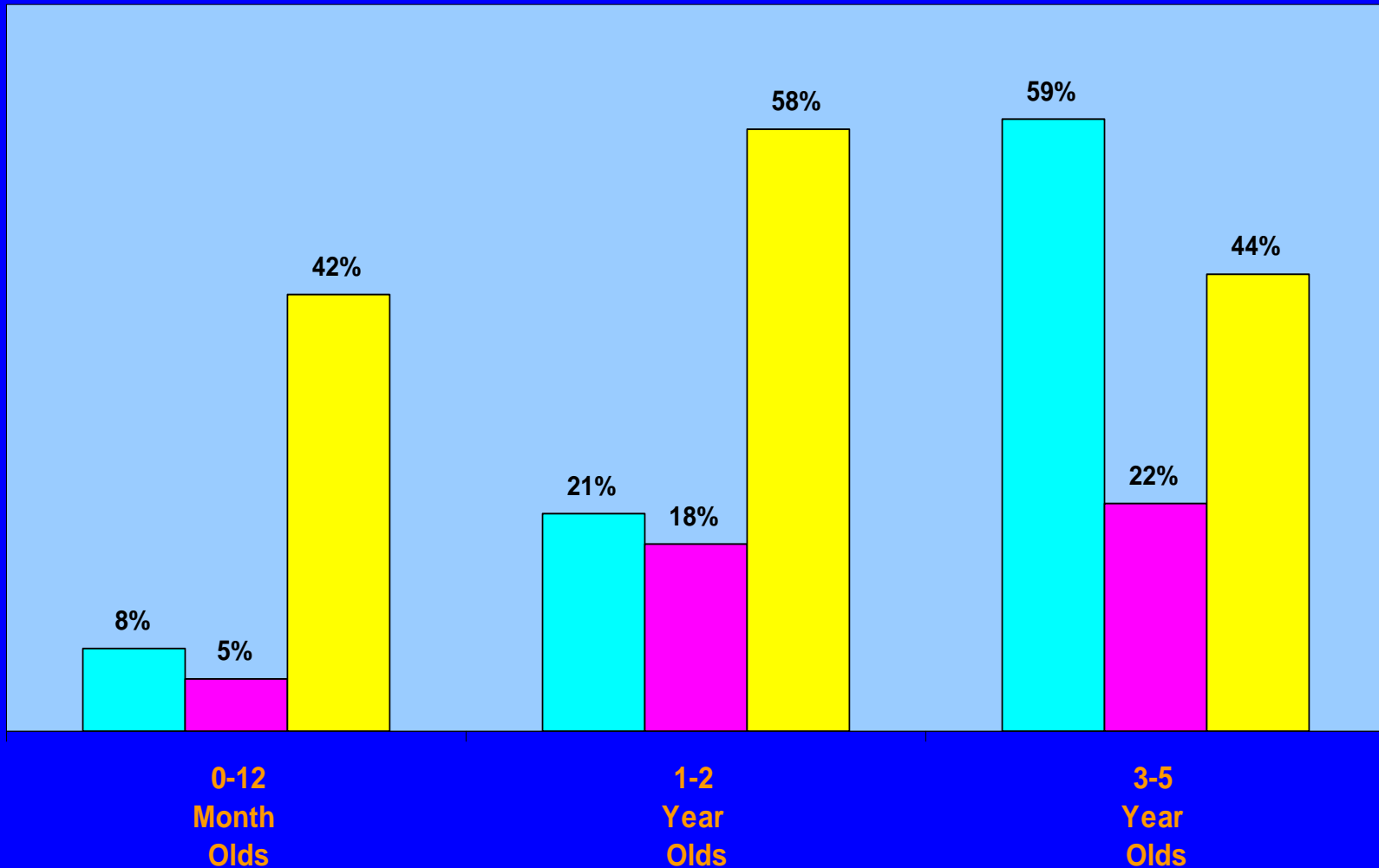
Policy Outcomes: Budgetary Costs, Affordability for  
Parents, Targeting to Most Vulnerable

## Percent WA Children Using Each Type of ECE, Based on HSPC Parent Survey

Center, HS or ECEAP Care

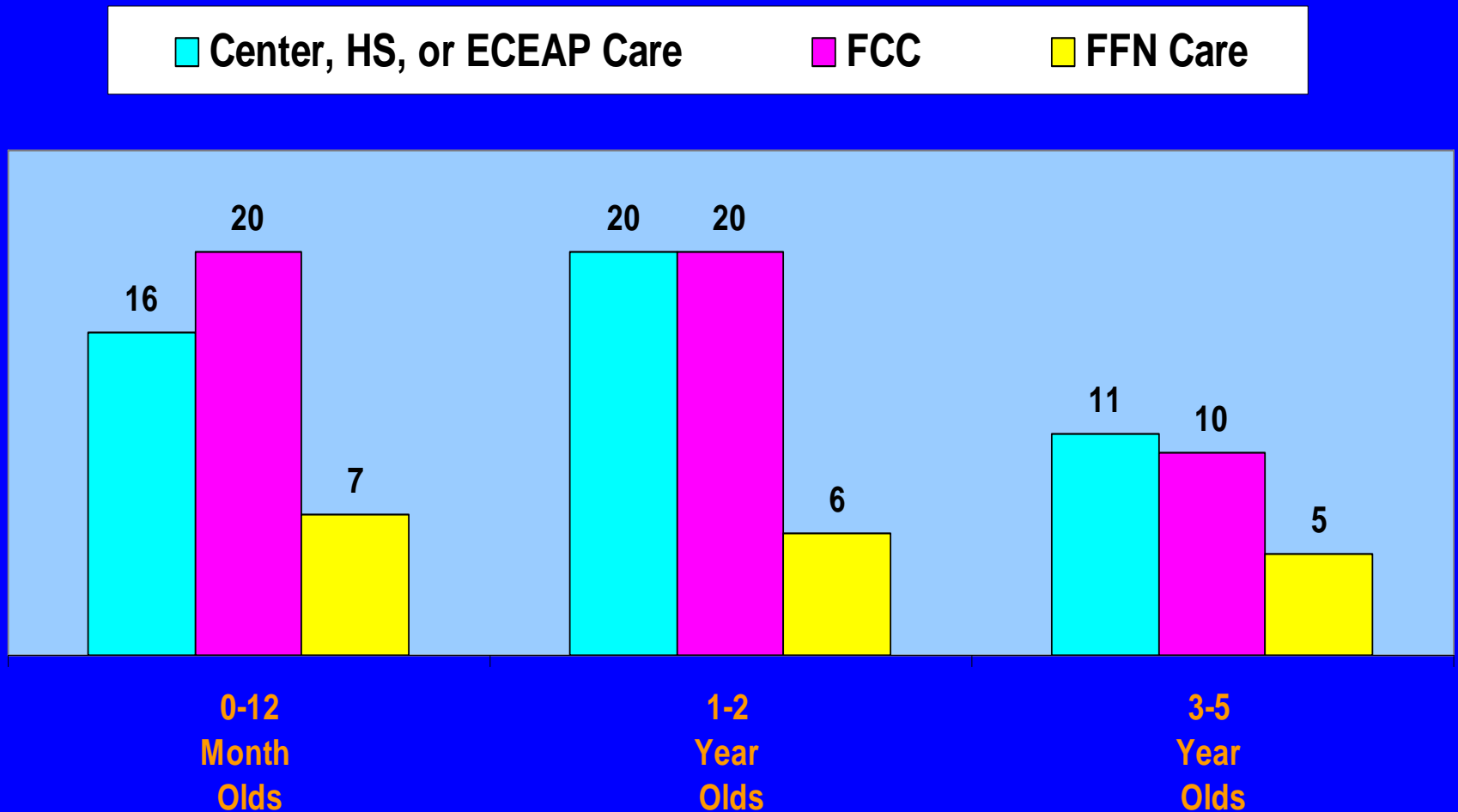
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FFN Care



- Hours in ECE vary by age of child, type of setting.

## Median Hours Per Week In Each Type of ECE by Age



## Lessons from Working With Other States:

- Some findings specific to policy packages
- Some consistent, based on economics and relationship among variables.
- Applying consistent findings can save ELC time and effort.

# Hourly Cost elements common across states:

- ❑ Child:adult ratios average ~8.3 (includes directors)
- ❑ More professionalized staff: college degrees in EC. Compensation linked to qualifications, responsibility. \$ levels vary by state.
- ❑ Entry positions with HS degree; allowance and release time for ongoing professional development and advancement.
- ❑ Quality promotion and assurance amortized in service costs (7 - 11%).

# Hourly High Quality Costs for Center-Based ECE

(Direct service and quality promotion; not admin or SHS)

| (\$2003)     | Lower Salary Standards<br>(Social.Worker. ~<br>\$12/hour start ) | Higher Salary Standards<br>(Elem.Teacher. ~<br>\$18/hr start) |
|--------------|--|---|
|              |  |   |
| Infant       | \$ 4 ~ 6   | \$ 5 ~ 8  |
| Toddler      | \$ 3 ~ 5   | \$ 4 ~ 7  |
| Pre-Schooler | \$ 3 ~ 4   | \$ 3.5 ~ 5  |

- Close to 75<sup>th</sup> percentile; much higher than state reimbursement.

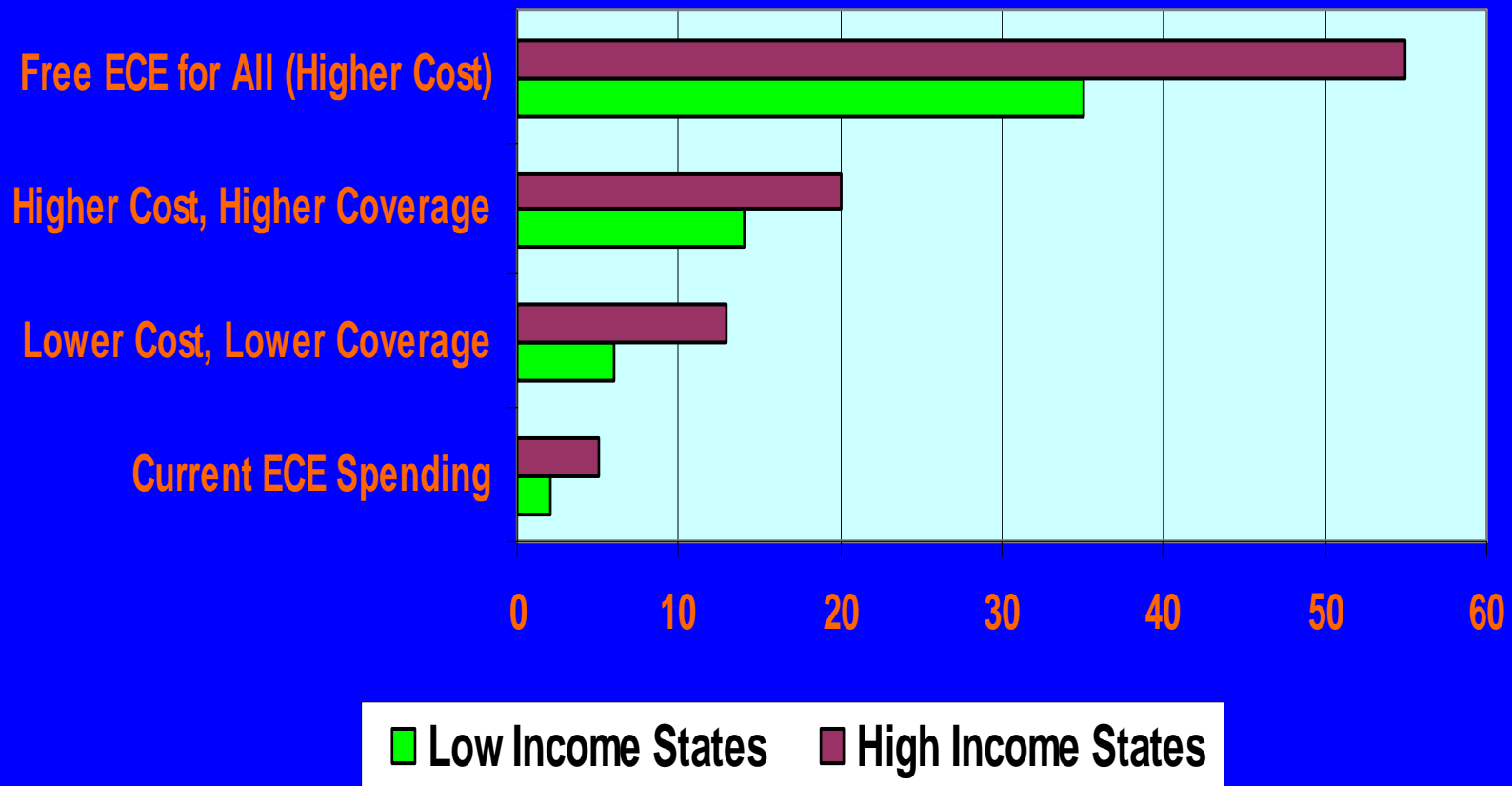
# Policies to Assist Parents

- ❑ *Current highly targeted to low income. Voucher, Head Start, ECEAP.*
- ❑ *100% Provider subsidy: Head Start, Kindergarten.*
- ❑ *Parent-Provider Assistance Packages: 10-55% provider subsidy (cash flow, accountability) + income-related voucher; co-pay <10% income. No state selected tax credits or loans.*
- ❑ *Tax credits. Federal and State. Annual vs. monthly*
- ❑ *Parental employment requirements - eliminate? - limits on hours/week?*



## □ Balance Affordability/Quality for Higher/Lower Cost/Coverage

### ECE Subsidies as Percent K-12 Spending



Middle Income Affordability

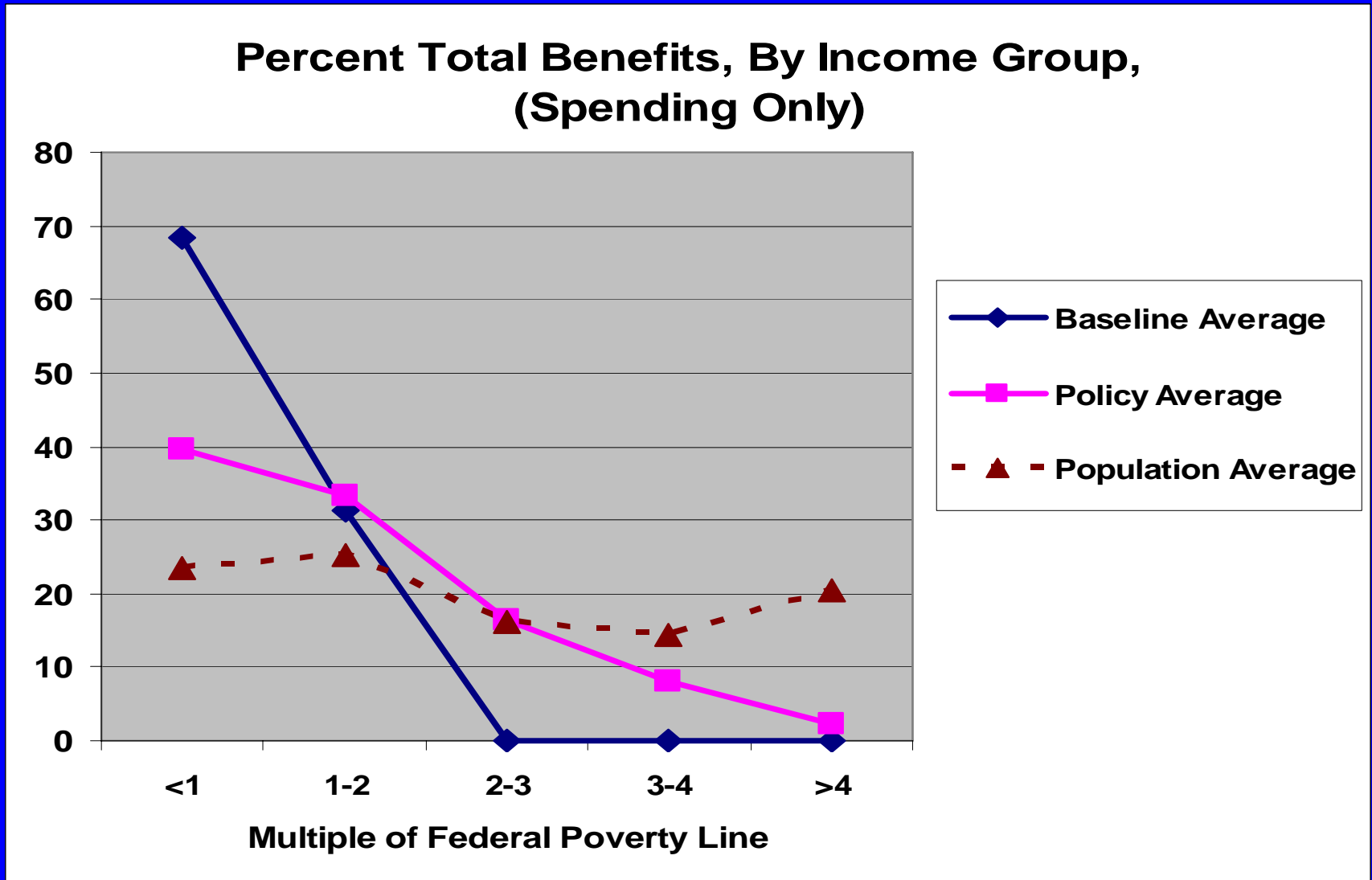
Vs.

Targeting Funds to the  
Most Vulnerable Children

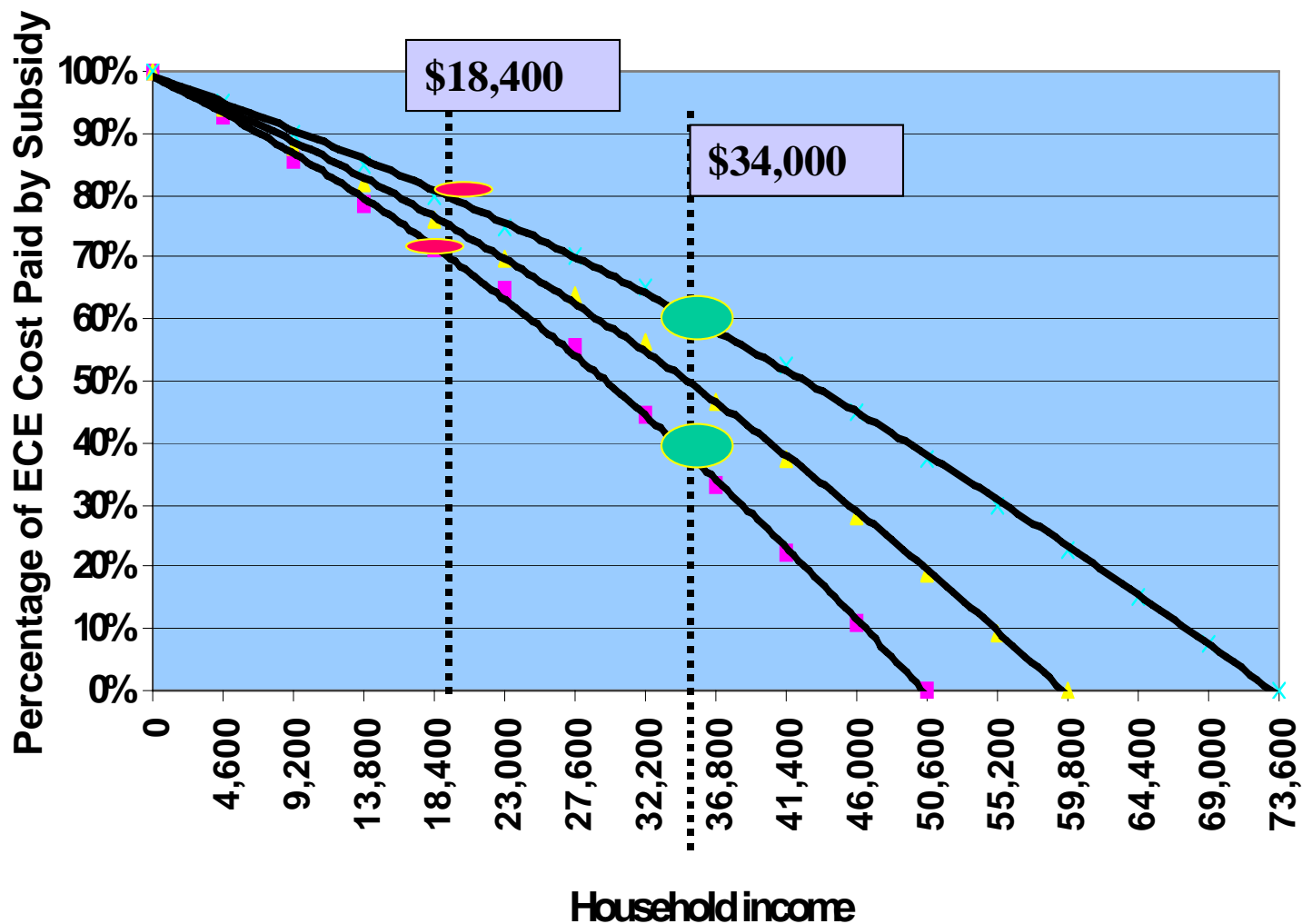
# Middle Income Affordability

- ❑ Center-type care not currently affordable
- ❑ High quality ECE not affordable without assistance – 20-25% take-home pay
- ❑ If not affordable for middle income, cannot sustain price increases in market, system collapses.
- ❑ Free ECE for all highly affordable, very expensive.
- ❑ PPAP balances affordability, targeting, cost.  
Within 10% of family income for 2 children.

## □ Balance Middle Income Affordability vs. Targeting



## Co-Payment Curves: Alternative Maximum Eligibility



Analyses for other states shows that  
with careful design,  
access to high quality early learning  
can be  
provided to all children birth – five,  
at a moderate cost



# Access Study Process

[Gretchen Stahr Breunig]



# Access Study Process [see handout]

Consider multiple options

Two rounds of comparative analysis

Policy Specifications by ELC, QRIS-TAC

Key dates:

- February to March, 2006– Policy specification
- April to August, 2006– Round I and Round II analysis

# Policy Specification– Round I

- February - March meetings QRIS-TAC specifies hourly cost components for staff– ratios, degrees, professional development
- February 21st– ELC specifies Quality Promotion Options and Policies to Assist Families
- March 23<sup>rd</sup>– ELC reviews Round I options

# Round I to Round II

- June 28<sup>th</sup> HSPC presents Round I to ELC
- July ELC modifies specifications
- August 22<sup>nd</sup> HSPC presents Round II to ELC
- September 12<sup>th</sup> HSPC presents Round II to Steering Committee

# Explanation of Major Policy Choices

[Erin J. Maher]

# Categories of Policy Choices

- Design and modeling issues
- Quality choices—**hourly cost of high quality early learning**, by age and setting
- Access—**Assistance to families and providers**

# Design and Modeling Issues

- Set of packages to compare—not decision-making
- Phase-in period
- Building on current programs vs. clean slate
- Age groupings for center-based care

# Quality Choices

- Child:adult ratios
- Staff qualifications—education levels by position
- Professional Development
- Regulation
- Quality Assurance and Promotion
- Policies for FFN providers
- Other Services

# Child:Adult Ratios and Staff Qualifications

For centers:

- Number of children per adult by age groups
- Percent of staff distributed across different positions/levels of responsibility
- Percent of staff by position with different levels of education



# Child:Adult Ratios and Staff Qualifications

For FCC:

- Equivalent compensation with center providers for same work and level of responsibility?
- Compensation dependent on number of children served.
- How many children per adult in mixed-age settings
- Percent of providers with different levels of education

# Staff Compensation

Salaries vary by:

- Education level
- Level of responsibility
- Expected years of experience at different levels under high quality system

# Staff Compensation

- Salary schedule varies around starting BA-level teacher salaries:
  - Equate to elementary teacher salaries?
  - Equate to other human service professions?
- Benefits as a proportion of salary

# Professional Development

By setting:

- Percent of providers participating
- Direct tuition/training costs per participating provider, proportion subsidized
- Release time
- Supplemental expenses
- Institutional subsidies for building and supporting capacity

# Regulation

- Number of visits per year (by setting)
- Associated case load
- Support and professional staff
- Licensors, support, and professional staff salary schedule

# Quality Assurance and Promotion

- Governance
- Management Information Systems
- Child Care Resource and Referral
- Accreditation

# Policies for Family, Friend, and Neighbor Providers

- Rate setting; incentive option
- Supports for enhancing and assuring quality

# Costing Analysis for Other Services

- Depending on data availability and project capacity, examples could include:
  - Parent education
  - Family support
  - Resources for children with disabilities
  - Nurses
  - Mental health consultants
  - Supports for FFN providers
- Cannot estimate total cost to state from referrals to other state programs



# Other Services

- Build into staffing plan of centers and FCC homes:
  - Subject to similar salary schedule and professional development requirements
  - Costs spread across all children
- Determine state-level budget costs:
  - Costs accounted for in state-wide budgetary impact
  - Distributed across centers and FCCs based on need

# Access Policies

- Partially income-related parent-provider assistance package:
  - Subsidies to providers
  - Co-payment schedule for parents
  - Eligibility levels for each
  - Work requirements
  - Limits on hours per week/per year
- Free ECE for all
- Participation rates

# Quality Choices

Choices are interrelated and can reflect trade-offs in cost to still meet quality goals.

# Discussion Item #1: Compensation

Should the early learning workforce be considered as part of the public education workforce or part of the broader human service workforce in terms of compensation?

# Discussion Question #2: Access

How do we provide access for all children: fee vs. free vs. some combination?

State and National Reports  
On Financing and Utilization  
Patterns (Survey Results)

Available

At

[www.hspsc.org](http://www.hspsc.org)